Ministry of
Small Business and Red Tape Reduction
and Minister Responsible for the
Liquor Distribution Branch

2016/17 – 2018/19
SERVICE PLAN

February 2016

For more information on the British Columbia Ministry of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch
see Ministry contact information on page 16 or contact:

Ministry of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch
PO BOX 9054
STN PROV GOVT
VICTORIA, BC
V8W 9E2

or visit our website.

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Minister
Accountability Statement

The *Ministry of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch 2016/17 - 2018/19 Service Plan* was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared.

Coralee Oakes

Honourable Coralee Oakes
Minister of Small Business and Red Tape Reduction and Minister Responsible for the Liquor Distribution Branch
February 3, 2016

Table of Contents

Minister Accountability Statement 3

Purpose of the Ministry 5

Strategic Direction and Context 6

Goals, Objectives, Strategies and Performance Measures 8

Resource Summary 15

Resource Summary Table 15

Appendices 16

Appendix A: Ministry Contact Information 16

Appendix B: Treasury Board Regulation on Expected Results for 2015/16 17

Purpose of the Ministry

The Ministry of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch manages key lines of government services that support the increased growth of small business, a modern regulatory environment for citizens and businesses, and a balanced approach to protecting public health and safety, providing more convenience for consumers, and streamlining regulations for the liquor industry.

The Ministry supports government's economic strategy, Canada Starts Here: The BC Jobs Plan, by providing access to tools and resources that support the economic competitiveness of small businesses and by leading cross-government efforts to reduce the red tape that hinders economic development and makes it difficult for citizens and businesses to interact with government. The Ministry collaborates with government, industry and communities to ensure simplified processes for businesses, easy access to services for citizens, and a more competitive investment climate for B.C.

The effective delivery of the Ministry's mandate relies on key legislation, including: the *Regulatory Reporting Act*; the *Red Tape Reduction Day Act;* the *Liquor Control and Licensing Act;* and the *Liquor Distribution Act*. The Ministry is responsible for the Liquor Distribution Branch.[1]

[1] More information about the Liquor Distribution Branch, including its service plan, is available online.

Strategic Direction and Context

Strategic Direction

Premier Christy Clark's July 30, 2015 Mandate Letter to Minister Coralee Oakes outlined key expectations for the ministry, including: the continued implementation of the Small Business Awareness Strategy; working with the LNG Buy-BC program to ensure that B.C. small businesses have an opportunity to participate in delivering goods and services to LNG projects; working with the Minister of International Trade to explore ways to increase the ability of small businesses to export to new markets; working across government to identify opportunities to reduce red tape for British Columbians; implementing the BC Liquor Policy Review recommendations; and working with the Union of British Columbia Municipalities on ways to streamline the liquor primary application process. The full text of the Minister's Mandate Letter is available online.

In addition, government's Taxpayer Accountability Principles framework serves to support the standards of fiscal responsibility and transparency adhered to by the ministry and informs this service plan.

Strategic Context

The Ministry of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch was established in July 2015, aligning key government portfolios to better support B.C.'s small businesses and citizens. Small business drives job creation, productivity and economic growth. In 2014, there were approximately 382,600 small businesses operating in B.C., representing about 98 per cent of all businesses in the province. These businesses employ over a million people, generate 31 per cent of the province's GDP, and account for 85 per cent of all provincial exporters. While excellent supports already exist to support small business start-up, growth and succession planning, there are still opportunities for improvement in assisting such businesses to "break out" and transform into medium or large scale enterprises.

Businesses, and citizens as a whole, will also benefit from the ministry's work to further reduce red tape and make government more accessible and streamlined. Regulatory reform reduces the cost and time of doing business. These savings can be reinvested by businesses and help foster economic development. Since 2001, the province has reduced regulatory requirements by 43 per cent and has focused its efforts on streamlining and simplifying government processes for citizens and businesses, making B.C. a national leader in regulatory reform. The evolution of regulatory reform efforts requires British Columbia to build on this solid foundation and undertake the next phase of regulatory reform that will lead to even more benefits. One example of such efforts is the recent launch of the Reducing Red Tape for British Columbians citizen engagement process. British Columbia is well positioned to further modernize and intensify our regulatory reform efforts to strengthen the competitiveness and attractiveness of B.C. as a preferred place to do business.

British Columbia's liquor industry is comprised mostly of small businesses with over 10,500 licensees, including: 5,934 restaurants; 2,287 pubs; bars and lounges; 670 private liquor stores; 793

agents; 496 liquor manufacturers such as wineries, breweries and distilleries; 239 Ubrews/Uvins; as well as over 90 wine stores and caterers. In addition, there are nearly 200 government liquor stores.[2] Together, the industry is an important economic driver, generating $1.1 billion in revenue and sales taxes per year and employing many of the 132,200 people who work B.C.'s tourism industry. In 2013, the province's liquor laws and policies underwent a comprehensive review, resulting in 73 recommendations to modernize the system in order to better reflect current lifestyles and remove barriers to growth, while ensuring public health and safety. Implementing these recommendations remains a priority for the ministry in the coming years.

[2] B.C. Liquor Policy Review Final Report, Oct. 23, 2013.

Goals, Objectives, Strategies and Performance Measures

This Service Plan outlines the Ministry's goals and objectives for the 2016/17 – 2018/19 fiscal years and identifies key strategies the Ministry intends to pursue to achieve them. Over the next three years, the Ministry aims to work towards achieving the following outcomes:

- Goal 1: A thriving small business sector that powers the growth of the provincial economy
- Goal 2: Reduced red tape, to make it easier to interact with government and to foster economic growth
- Goal 3: Modern liquor laws for citizens, industry and small business

The Ministry operates under the Taxpayer Accountability Principles that strengthen accountability to the citizens of B.C. by providing a common platform of compensation and accountability across the public sector. The six principles—cost-consciousness (efficiency), accountability, appropriate compensation, service, respect, and integrity—are integrated into the Ministry's operations and reflected through the Goals and Objectives of this Service Plan.

Goal 1: A thriving small business sector that powers the growth of the provincial economy

Objective 1.1: Provide small businesses with programs, tools and supports to assist them to grow and create jobs

Strategies

- Provide tools and resources that support the start-up and growth of small businesses—through partnership, sponsorship and collaboration with organizations like Small Business BC and Futurpreneur, creating networks and fostering linkages across the sector.
- Work with the Ministry of Jobs, Tourism and Skills Training to assist small businesses in communities facing transition.
- Continue to consult and work with local governments to expand the Mobile Business Licence Program, streamlining and simplifying the licensing process, making it easier to do business in B.C.
- Collaborate with federal, provincial and territorial partners to maintain and enhance BizPal, ensuring entrepreneurs can quickly access the regulatory information they need to start and grow their business.
- Increase awareness of the availability of small business tools and resources among business owners, local governments and Aboriginal communities through implementation of the Small Business Awareness Strategy.

- Work with the LNG-Buy BC program to ensure B.C. businesses have an opportunity to participate in delivering goods and services to LNG and other major resource projects.

Performance Measure 1: Small Business BC client utilization of services

Performance Measure	2015/16 Forecast	2016/17 Target	2017/18 Target	2018/19 Target
Total number of times clients have accessed services through Small Business BC	1,040,000	1,144,000	1,258,000	1,384,000
Clients accessing services in person	33,225	36,550	40,200	44,220
Clients accessing services by telephone	16,675	18,340	20,175	22,193
Clients accessing services by email/fax/letter	2,550	2,800	3,080	3,388
Clients accessing online services	987,550	1,086,310	1,194,945	1,314,210

Data Source: Small Business BC Governance Monitoring Report.

- This measure, reported to the Province on a quarterly basis, reflects the number of client interactions with Small Business BC (SSBC) in person, over the phone, by email/fax/letter or online.
- Access to online services is measured by Google Analytics and indicates the number of individual user sessions recorded for SSBC's website.

Discussion

Small businesses are the backbone of the provincial economy but starting and growing a business can be challenging. This is why government works to ensure that small businesses are supported in their efforts to establish themselves and to grow. Small Business BC (SSBC), a not for profit organization, is B.C.'s premiere resources centre for business information and services related to starting, growing or exiting a small business. The Ministry funds SSBC jointly with the federal government and partners with the organization on initiatives such as the Small Business Awareness Strategy.

This measure tracks the number of annual interactions between SSBC and their small business clients, whether over the phone, in person or through SSBC's website. The high and increasing numbers of interactions is an important indicator that more small businesses are becoming aware of and finding value in SSBC's services. A new performance measure is under development for this goal to even better reflect the Ministry's collaborative partnerships in support of small business across the province.

Performance Measure 2: Local governments issuing inter-municipal business licences in B.C.

Performance Measure	2015/16 Forecast	2016/17 Target	2017/18 Target	2018/19 Target
Number of local governments participating in an inter-municipal or mobile business licence agreement with neighbouring municipalities	70	72	74	76

Data Source: Ministry of Small Business and Red Tape Reduction.

- There are currently 10 agreements in the province with 69 participating communities.
- Program expansion may include the establishment of additional agreements, inclusion of additional partners and/or consolidation of existing agreements, making it easier for businesses to operate across jurisdictional boundaries.

Discussion:

An inter-municipal or Mobile Business Licence allows mobile businesses such as builders, plumbers and electricians to operate in multiple municipalities and regional districts with a single licence. This streamlines and simplifies the licensing process, reducing the cost for business owners and making it easier to do business in B.C. The Ministry oversees the Mobile Business License program, encouraging local governments to adopt this approach and assisting municipal partners with implementation.

Objective 1.2: Ensure government considers the needs of small business in its policy and program decisions

Strategies

- Work with the B.C. Small Business Roundtable through its quarterly meetings, regional consultations and annual report to government to identify actions and implement recommendations in support of small business growth.
- Update and promote the Open for Business Awards' Best Practices Guide to increase awareness of initiatives implemented by local government and First Nation community's that can help small businesses grow and succeed.
- Work with the Ministry of International Trade to identify and implement actions which increase the ability of small businesses to export their products to new markets.
- Continue to simplify and improve government processes and regulatory requirements with the greatest impact on small businesses.

Goal 2: Reduced red tape, to make it easier to interact with government and to foster economic growth

Objective 2.1: Reduce the regulatory burden

Strategies

- Maintain government's commitment to a net zero increase in regulatory requirements until 2019.
- Work with ministries across government to further reduce the number of regulatory requirements and administrative burden placed on citizens and businesses.
- Update the provincial regulatory reform policy to ensure regulatory burden is identified and reduced early in the regulatory development process.
- Host an annual Red Tape Reduction Day in March to shine a light on government's efforts to reduce red tape.
- Partner with the Canadian Federation of Independent Business for Red Tape Awareness Week each January to highlight both on-going and completed work with respect to reducing red tape for businesses.

- Produce an annual report outlining government's progress in regulatory reform and red tape reduction.

Performance Measure 3: Government-wide regulatory requirements

Performance Measure	2004 Baseline	2015/16 Forecast	2016/17 Target	2017/18 Target	2018/19 Target
Net change in the number of government-wide regulatory requirements since 2004	228,941	-10.5%[1]	-10.5%[1]	0 net increase[1]	0 net increase[1]

Data Source: Ministry of Small Business and Red Tape Reduction.

[1] From the 2004 baseline. Note: this baseline has been re-calculated in 2015. The results of this baseline adjustment will be recorded at the end of the 2015/16 fiscal year.

Discussion:

Reductions in the regulatory burden improve citizens' access to government services and programs and enhance British Columbia's economic competitiveness. Regulatory reform reduces the cost of doing business, generating opportunities for reinvestments and the creation of new jobs.

Government recently extended its commitment to net zero increase in regulatory requirements until 2019, as well as directing a renewed approach to regulatory reform that puts greater emphasis on economic development outcomes and qualitative performance measures that focus on the quality and impact of regulatory amendments. The 2004 baseline used for this measure represents a 36.4 per cent reduction in the regulatory count from 2001.

Performance Measure 4: National recognition for reducing red tape

Performance Measure	2015/16 Forecast	2016/17 Target	2017/18 Target	2018/19 Target
Canadian Federation of Independent Businesses Grade for Reducing Red Tape	A	A	A	A

Data Source: Canadian Federation of Independent Business's Red Tape Report Card.

Discussion:

Each year, the Canadian Federation of Independent Business publishes a Red Tape Report Card, which grades the red tape reduction efforts of Canada's federal, provincial and territorial governments. The CFIB criteria for assigning a letter grade include: whether the jurisdiction has made reducing red tape a priority; whether the growth in regulations is being measured, constrained, and publically reported on; and whether additional initiatives are being implemented to maintain momentum on streamlining government regulation. The B.C. government has made cutting red tape a priority and the CFIB's ranking is an independent confirmation of the successes to date in this area. B.C. is the only Canadian

jurisdiction to have received an "A" grade from the CFIB to date, and this measure represents our commitment to continue to lead the country in reducing the burden of regulations on citizens and businesses.

Objective 2.2: Make government services more accessible and easier to use

Strategies

- Support ministries with the implementation of the service improvements suggested from the Reducing Red Tape for British Columbians public engagement initiative.
- Simplify and improve government processes and regulatory requirements with the greatest impact on small businesses, including continued work on sector streamlining projects.

Goal 3: Modern liquor laws for citizens, industry and small business

Objective 3.1: Modern liquor laws, policies and tools that meet the needs of citizens, industry and small businesses

Strategies

- Rewrite the *Liquor Control and Licensing Act* (LCLA) to support citizens, industry and small businesses through more efficient, seamless, fair, and convenient liquor licensing.
- Bring the new LCLA into force with new regulations, with the aim of reducing the number of regulations where possible.
- Conduct further consultations with licensees, LDB/OE, local government, First Nations, industry, small businesses, and police towards streamlining application processes, modernizing liquor laws and policies, and ensuring a vibrant liquor industry.
- Develop regulations to bring the Special Wine Store Auction Act into force, this provides authority for Liquor Control and Licencing Branch (LCLB) to conduct an auction to determine eligibility for grocery stores to apply for a limited number of licences to sell 100% B.C. wine on grocery store shelves.
- Review the licensing requirements for liquor manufacturers and rules respecting on-premises consumption.
- Implement the remaining recommendations of the 2013 Liquor Policy Review, while continuing to balance public safety and public interest.

Performance Measure 5: Implementation of the Liquor Policy Review recommendations

Performance Measure	2015/16 Forecast	2016/17 Target	2017/18 Target	2018/19 Target
Number of Liquor Policy Review recommendations implemented by government	0	40	70	100

Data Source: Liquor Control and Licensing Branch
[1] Implementation will be completed in 2017/18.

Discussion:

In the fall of 2015, Parliamentary Secretary John Yap conducted a review of provincial liquor policies in order to provide recommendations on how they can be modernized. Based on extensive consultation, the resulting Liquor Policy Review made 73 common-sense recommendations to change British Columbia's liquor laws so that they reflect current lifestyles, encourage the growth of small businesses and our economy, address calls for consumer convenience and continue to safeguard health and public safety. Government subsequently committed to implementing all 73 recommendations. This measure tracks progress towards that goal.

Objective 3.2: Promote safe establishments and safe communities, while minimizing the health and social harms of alcohol

Strategies

- Work to prevent underage drinking, the over-consumption of liquor, overcrowding or unsafe conditions in restaurants, bars and pubs, the misuse of non-beverage products containing alcohol, and to minimize the potentially negative impact of liquor sales on neighbourhoods and communities.
- Continue to raise public awareness about safe alcohol consumption through education campaigns such as Alcohol Sense, the mandatory display of education materials, and developing an in-person educational program for licensees.
- Carry out inspections of licensees to ensure that they comply with their license requirements.
- Where necessary, take enforcement action to ensure that licensees comply with B.C.'s liquor laws.
- Administer legislation and regulations that provide the framework for a vibrant and responsible liquor industry that meets the needs of British Columbians and its visitors.

Performance Measure 6: Rate of liquor establishment compliance with ID-checking requirements

Performance Measure	2014/15 Baseline	2015/16 Forecast	2016/17 Target	2017/18 Target	2018/19 Target
Percentage of inspections of liquor establishments (stores, food primaries and liquor primaries) where the establishments are found to be in compliance with ID-checking requirements.	67.9	69	73	76	80

Data Source: Results for this measure are based on records kept by the Liquor Control and Licensing Branch, Ministry of Small Business and Red Tape Reduction (Responsible for the Liquor Distribution Branch). *Liquor establishments include: liquor stores (whether private or government-operated), grocery stores selling wine on their shelves, manufacturers with on-site stores and liquor primary and food primary establishments (e.g. bars and restaurants). Special occasion licences are not included.*

Discussion:

Preventing the sale of liquor to minors is a key public safety priority for government, given the potentially devastating consequences of underage drinking. It is also against the law to sell, serve or supply liquor to a minor. Under the authority of the Liquor Control and Licensing Act (LCLA), the Ministry launched a Minors as Agents Program (MAP) in 2012, which includes employing minors to test whether licensees and their staff are selling to minors. The program initially targeted liquor stores and was expanded in 2012 to include food primaries (e.g. restaurants) and in 2013 to include licensed premises (e.g. bars).

The MAP has been very effective in raising the rates of liquor store compliance with ID checking requirements. Prior to implementation of the MAP, compliance was as low as 30%. Over the past year, the program has been re-focused to target high-risk establishments or those which have been the subject of complaints. This targeted approach may initially affect compliance rates. To counteract this effect, the Ministry intends to increase awareness of the program with increased communications to licensees.

Resource Summary

Core Business Area	2015/16 Restated Estimates[1]	2016/17 Estimates	2017/18 Plan	2018/19 Plan
Operating Expenses ($000)				
Small Business and Regulatory Reform	2,146	3,096	3,104	3,124
Liquor Control and Licencing	1	1	1	1
Executive and Support Services	767	765	767	767
Total	**2,914**	**3,862**	**3,872**	**3,892**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
Liquor Control and Licensing	0	318	318	318
Executive and Support Services	0	1	1	1
Total	**0**	**319**	**319**	**319**

[1]For comparative purposes, amounts shown for 2015/16 have been restated to be consistent with the presentation of the 2016/17 Estimates.

[2]Further information on program funding and vote recoveries is available in the Estimates and Supplement to the Estimates."

Appendices

Appendix A: Ministry Contact Information

Tim McEwan
Deputy Minister
Ministry of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch
301-865 Hornby Street
Vancouver, BC
V6Z 2G3
Tel: 604-660-3757
Email: DM.SBRT@gov.bc.ca

Hon. Coralee Oakes
Minister
Ministry of Small Business and Red Tape Reduction and Minister Responsible for the Liquor Distribution Branch
Room 124, Parliament Buildings
Victoria, B.C. V8W 9E2
Tel: 250-356-8247
Email: SBRT.Minister@gov.bc.ca

To contact a specific person or program in the Ministry of Small Business and Red Tape Reduction, please refer to the B.C. Government Directory.

Appendix B: Treasury Board Regulation on Expected Results for 2015/16

B.C. Reg. 229/2015 under the *Balanced Budget and Ministerial Accountability Act* transferred responsibility for the following expected results formerly assigned to the Minister of State for Tourism and Small Business to the Minister of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch:

a) Lead the work of the Small Business portfolio and support the implementation of initiatives that contribute to making B.C. one of the most small-business-friendly jurisdictions in Canada;

b) Ensure continued implementation of the BC Small Business Accord and monitor the effectiveness of initiatives;

c) Support and direct the ongoing work of B.C.'s Small Business Roundtable by identifying key priorities and opportunities on behalf of the small business sector in B.C.;

d) Continue to deliver tools, training and information to assist small business start-up and growth with partners such as Small Business BC in all regions of B.C., including securing additional Mobile Business Licence opportunities and expanding BizPaL services;

e) Continue to support small business through red tape reduction initiatives including Regulatory Reform BC's net zero increase policy and annual report;

f) Work to ensure B.C. small businesses have an opportunity to participate in delivering goods and services to liquefied natural gas (LNG) proponents and contractors, and other major resource projects and procurements;

j) Submit to Cabinet a report on the results referred to above on or before March 31, 2016.